

Chelan County Agricultural Lands Study Advisory Committee
July 19, 2004
Meeting Summary

Attending: Ray Faini, WSU Extension
Tim Smith, WSU Extension
David Grimes, Chelan County Planning
Larry Angell, Chelan County Planning
Cliff Wavra, Chelan County Planning
Keith Goehner, Chelan County Commissioner
Leonard Bauer, WA CTED
Betty Renkor, WA CTED

Invited but unable to attend: Britt Dudek, Farm Bureau; Kirk Mayer, Growers Clearinghouse; Jim Hazen, Washington State Horticultural Association; Jay Kehne, Natural Resource Conservation Service; Kent Mullinix, Wenatchee Valley College

Planning staff and Extension agents provided a portrait of agriculture in Chelan County. Most agriculture is tree fruit, with some wheat, a few pastures and a small growing wine industry. The valleys in the County have long been developed with a mix of uses – tree fruit, cities, schools, industry, etc. – due to the County’s topography and the amount of federal ownership. There are significant ag operations on rural designated lands.

Cherry production has doubled in the past few years. A farmer needs 30 to 60 acres for economic viability. Some farmers are buying property in the Columbia Basin in order to have a larger land base and to diversify. Land in the Basin is cheaper and more efficient to farm. Absentee ownership and large corporate ownership both are minimal in the County. Tree fruit is the only viable, high value commercial enterprise in the Chelan County area due to soils and parcel size. Chelan County produces more apples than New Zealand and exports 30 percent of its fruit out of the country.

There is intense pressure to convert non-productive designated agriculture areas that are within commercial production areas to other uses, according to Larry Angell. Growers and real estate people are interested in developing land that they believe is not suitable for ag. Agriculture needs a mechanism for mixed use to provide opportunities for diversity that will protect and enhance agriculture. There is a need to integrate agriculture and ag tourism.

Discussion of Study items

a) Amount of land designated as agricultural land with long-term commercial significance.

The County planners report this as 29,824 acres. The interim designation was established in 1997 and adopted in 2000. About 100 acres have been de-designated from ag to rural in the past two years. There are questions about the meaning of “long-term commercial significance.”

b) Amount of land in agricultural production, and c) Changes of amount of agricultural land since 1990.

The Ag Census should not be the only source of this data, and may not be the best, due to a poor return on the census survey and the numbers being extrapolated. They suggested contacting the County Assessor and the Growers Clearinghouse.

d) Comparison with amounts of land in other uses.

County planners provided a list of acres per land use designation.

e) Designation standards and procedures.

We will meet with County planners to review the designation process and procedures.

For items f through I, we first reviewed the Summary of Comments outlining comments from the Statewide Advisory Committee. Then we discussed other factors relevant to each of these items.

f) Effect of designation on tax revenue.

Because ag is a permitted use in the rural area, the tax assessments for agriculture production lands in both rural and ag designated lands should be the same. We should review current use taxation assessments in both ag and rural-designated lands. When comparing rural and ag lands with the same crop, rural lands probably have a higher market value because the land can possibly be subdivided. Market value compared with the agricultural value is relevant to the pressure to convert lands from ag to other uses. A cost of services study conducted for Skagit County shows that ag lands are revenue generators and residential lands cause a revenue deficit. The same trend could be expected in Chelan County.

g) Contribution of agriculture to the local economy.

The value of tree fruits doubles in the packing houses, which are large employers and wouldn't exist if the tree fruits weren't there. The packing houses add \$150-200 million in value. Ancillary industries that provide servicing, equipment, packing, labels, boxes and trays add value to the industry. Each year 50,000 truckloads of fruit are shipped. Growers spend \$1,200/acre for boxes that are made in the community. These contributions do not get counted as agriculture but as industry. The grower may make no money but will contribute to the local economy by buying labor, boxes, etc. The wine industry prepared a report to the legislature that outlines every dollar that changed hands. Economic models for agriculture may be available from Chuck Seavert, Oregon State University. Also, check Employment Security figures.

h) Threats to maintaining the agricultural land base.

There has been a fundamental shift from viewing agriculture as a separate type of business to it being just a business, not held in as high regard as it once was. More regulations apply now. Agriculture is flexible and volatile, but it's treated as though it's a business with a stable work force and stable environment. Most businesses start up with regulations in place. Agriculture doesn't have this history and hasn't built that into pricing due to consumers expectations of price and perishability.

i) Measures local government should adopt...

The legislature has decided that agriculture lands have public value, but it tells people they have no options with that land. Selling to a neighbor who will continue to farm will not pay off the debt. If agriculture has public value, there should be a mechanism in place so the state can acquire land, bank it, and sell lots. Then the farmers are not in danger of losing their retirements. Society's interest is in more than seeing pretty farms; it's also economic.

j) Any other type of information that will help the committees...

Irrigation is a big issue. There are more than 1000 individual irrigation districts in the County, but will they be able to provide water?